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DEVELOPMENT CHARGE CREDIT REQUEST WHITWELL DEVELOPMENTS LIMITED WELLINGTON STREET EAST FROM LESLIE STREET TO HIGHWAY 404 TOWN OF AURORA

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report dated August 27, 2010, from the Commissioner of Finance.

1. RECOMMENDATIONS

It is recommended that:

1. Council authorize a development charge (“DC”) credit in the amount of \$517,735 (88%) for the growth-related component (development charges) and a recovery of \$70,600 (12%) for the non-growth component (tax levy) of the proposed road works undertaken by Whitwell Developments Limited in the Town of Aurora, subject to completion of the works to the satisfaction of the Commissioner of Transportation Services.
2. The Regional Solicitor be authorized to include the development charge credit provisions in the subdivision agreement regarding the above-noted subdivision with credits to be funded from future Regional road DC Credits otherwise payable at the time of subdivision registration.

2. PURPOSE

The purpose of this report is to authorize a development charge credit for road works performed by Whitwell Developments Limited for the road improvement on Wellington Street East (from Leslie Street to Highway 404) in the Town of Aurora in advance of the construction timing projected in the Regional Roads Capital Program.

3. BACKGROUND

At its May 9th and May 23rd, 1996 meetings, Regional Council approved a detailed DC credit policy for capital works undertaken by the developer in advance of the planned reconstruction program (subsequently amended June 18, 2007 as part of the passing of Regional DC By-law No. DC-0007-2007-040).

Whitwell Developments Limited has forwarded a request to the Region’s Transportation Services Department for the consideration of DC credits for the road works on

Wellington Street East (from Leslie Street to Highway 404) in the Town of Aurora (*Attachment 1*).

4. ANALYSIS AND OPTIONS

Whitwell Developments Limited has requested a DC Credit of \$1,091,674

Whitwell Developments Limited has developed a non-residential subdivision in the Town of Aurora. In order to proceed with the development of the lands, the developer group was required to undertake road works on Wellington Street East (from Leslie Street to Highway 404) in the Town of Aurora in accordance with the planned reconstruction program at an estimated cost of \$1,091,674. These road works have been incorporated in the Region's 10 Year Capital Program.

Discussions as to the development charge credit amount were carried out between the applicant and Regional staff, and the applicant has agreed to the amount.

5. FINANCIAL IMPLICATIONS

Subdivision lands benefiting from road works totals 500,640 square feet of non-residential land or development

The subject non-residential subdivision benefiting from the road works is comprised of a total of 500,640 square feet of land or development. Buildout of this subdivision would result in regional development charges of approximately \$5.6 million of which \$2.7 million pertains to the roads component of the charge.

The Region's Transportation Services Department has reviewed the request submitted by Whitwell Developments Limited in accordance with the approved DC credit policy, and has determined that \$588,335 of the total value of the road works is eligible for consideration through the DC credit process (*Attachment 2*).

Proposed total DC Credit of \$588,335 be permitted

In accordance with the DC credit policy, in order to advance the road works from the planned construction timing, the developer will be responsible for a share of the non-growth component of the works. This provides for a discounting of the non-growth component of the works when construction of the works is advanced prior to the timing proposed in the Region's 10 year capital program. As these road works were built to the ultimate location, Whitwell Developments Limited is entitled to recover \$70,600 of the non-growth component of the works.

It is proposed that a DC Credit be permitted for the growth-related component of the works in the amount of \$517,735 (88%) and \$70,600 (12%) for the non-growth component. The developer has been contacted and is in agreement with the credit amount.

The growth-related component (development charges) of the DC credit is to be funded from future Regional roads DC otherwise payable at the time of subdivision registration, subject to completion of the works to the satisfaction of the Commissioner of Transportation Services. It is recommended that the Regional Solicitor be authorized to include the DC Credit (growth component) in the subdivision agreement/building permit issuance for the road works on Wellington Street East (from Leslie Street to Highway 404) in the Town of Aurora.

The non-growth component (tax levy) of the works is provided for in the 2010 Roads Capital Budget. The developer is entitled to recover the non-growth component of \$70,600 for the works. The combined year to date (for 2010) cumulative impact of the non-growth component of DC Credits proposed and/or approved by Finance and Administration Committee and Council is \$478,526.

6. LOCAL MUNICIPAL IMPACT

The proposed road works will benefit the Town of Aurora in terms of improving traffic flow along the roadways of Wellington Street East from Leslie Street to Highway 404. These improvements also facilitate the buildout of the subdivision in the Town of Aurora.

7. CONCLUSION

The DC credit request submitted by Whitwell Developments Limited has been reviewed in accordance with the approved DC credit policy. It is proposed that subject to completion of the road works on Wellington Street East (from Leslie Street to Highway 404), to the satisfaction of the Commissioner of Transportation Services, the developer be eligible for a roads DC credit of \$517,735 (88%) and a non-growth cost recovery of \$70,600 (12%) from tax levy.

For more information on this report, please contact Kelly Strueby, Director of Business Planning and Budgets at ext. 1611 or Beth Kodama, Manager of Capital and Development Financing at ext. 1699.

The Senior Management Group has reviewed this report.

(The two attachments referred to in this clause are attached to this report.)



November 5, 2009

File No. 25180/25234

Mr. Faris Georgis, Director,
Infrastructure, Design and Construction Branch
Transportation and Works Department
Regional Municipality of York
17250 Yonge Street, Box 147
Newmarket, ON
L3Y 6Z1

Dear Mr. F. Georgis:

**Re: Application for Development Charge Credit
Whitwell/ State Farm Subdivision
Wellington Street, Aurora
Region File No. D19 03.001.A
Town of Aurora, Regional Municipality of York**

On behalf of our client, Whitwell Development Limited, we are pleased to forward the following documentation requesting consideration for development charge credit for works completed on Wellington Street, Aurora for the above-referenced project. This documentation is provided to update our previous Development Charge Credit application on May 12, 2009.

We have prepared these development credits as per the Regional Road Works Development Charge Credit guideline, April 2002. As directed by the Region of York, we have referenced the Regional 2006 Development Charge Credit Unit Rates for major capital projects.

As directed by Robert Partridge, we have provided both our tender price and the Regional unit price summary for each creditable item.

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As per the Regional guideline, please find enclosed the following supporting documentation:

- Tab 1 – Regional Municipality of York Development Charge Credit Policy
- Tab 2 – Request for Development Charge Credit Letter
- Tab 3 - End Area Volume Calculations
- Tab 4 – Quantity and Cost Summary
- Tab 5 – 2006 Development Charge Credit Average Unit Costs
- Tab 6 – As Constructed Engineering drawings
- Tab 7 – Composite Utility Plans
- Tab 8 – Areas for DC Credits Drawings
- Tab 9 – Regional Development Charge Credit Process Flow Chart
- Tab 10 – Wellington Street Executed Tender
- Tab 11 – Signed Change Orders to Wellington Street Contract
- Tab 12 – Additional Supporting Documentation

If you have any questions or comments regarding these matters, please do not hesitate to contact our office.

Yours very truly,

PITURA HUSSON LIMITED

D. Paul Husson, P.Eng.

Attachments

cc: Finance Department, Regional Municipality of York

Pitura Husson Limited
Wellington Street East from Leslie Street to Highway 404
Town of Aurora

		Total Cost	Regional Cost (DC Credit)	Developer Cost
a)	Total estimated cost of works	\$1,091,674		
b)	Amount of works not in ultimate Regional location	(\$503,339)		(\$503,339)
c)	Amount eligible for Development Charge Credit (per Development Charge Credit Policy)	\$588,335		
	- development charge component 88.00%	\$517,735	\$517,735	
d)	Non-growth summary			
	- non-growth component 12.00%	\$70,600		
	<u>Developer share of non-growth costs</u>			
	- present value of works constructed <i>(works included in 10 year capital forecast)</i>	(\$0)		(\$0)
	<u>Regional share of non-growth costs</u>	\$70,600	\$70,600	
Total Share of Capital Costs			\$588,335	(\$503,339)

Developer Recovery Summary:

Total growth-related credit -	\$517,735
Total non-growth reimbursement -	\$70,600
	<u>\$588,335</u>

Summary:

Total Estimated Cost of Works	\$1,091,674
Regional Share (DC Credit)	\$588,335
Developer Share	(\$503,339)